

2014 BUDGET ADDRESS

April 15, 2014

Good evening, members of the Murray City Council, residents and staff. I appreciate the opportunity to address you tonight, and to present to you our budget recommendations for the coming fiscal year. Although this is the first year I have been able to participate in this process, I have been impressed by each of the department heads and how hard they have worked at managing their budgets while still accomplishing so much for our city. I especially want to acknowledge, with great appreciation, the work of Justin Zollinger, our finance director, and his staff for the time and energy they have put into this budget preparation.

It is my hope that this information will present a clear picture of our present financial health, a list of our priorities and a precise and attainable plan for our future. Our past financial responsibility, along with advanced planning and proactive initiatives, are the things that have given us this opportunity to choose our future.

Murray City, unlike our federal counterparts, does not allow deficit spending, unreasonable debt or unsound financial practices to rob us of our choices. We live within our means, keep our taxes low, and provide good, sound government services. These practices enable an economic framework that supports private-sector growth, along with encouraging individual initiative. These policies have resulted in an AA+ bond rating, a city on sound financial footings and a contagious anticipation for exciting growth.

The first and foremost purpose of a city is to provide services. We exist primarily to make life better for our citizens. Our second most important role is to develop and preserve a sense of community. For over 100 years, many tens of thousands of individuals have proudly called Murray their home. This level of pride has developed over the decades because of the knowledge that our city is well run by dedicated employees, visionary thinking and sound financial budgets.

Just as diverse as the obligations we have to our citizens, so are the ways to fund them. However, managing the budget in a city is a huge undertaking. It can be done most efficiently when broken down into distinct elements. These components are: the General Operating Fund, which includes employee compensation and benefits; the Capital Improvement Plan (CIP); and the Enterprise Funds, which mainly involve resources from our utility operations.

The major funding mechanisms for the General Fund are property taxes and state sales taxes. There are many citywide operations that receive their funding from these resources. As you are aware, I have had the opportunity to review the line items of this part of the budget with each of our department heads. They have worked extremely

hard to keep these expenditures as flat as possible; however, the overriding principle has always been to acknowledge the value of each item, along with its costs.

In no other area has the value-cost equation been more judiciously evaluated than in employment compensation. Murray is the beneficiary of some of the finest municipal employees there are. My goal is to keep them here by employing every reasonable stratagem to compensate them for the work they do. I have proposed in this budget, a multifaceted-hybrid approach utilizing both a cost-of-living increase and the reinstatement of the merit program. This will allow us to reward employees who are meeting and exceeding their goals for service. Our Finance Department has truly swept the corners to find funding for these merit increases. Other department heads have realigned their budgets to help in this effort. We have also been able to fund the increase in our health insurance and retirement benefits. By any measure, this was not a small undertaking, but I am happy we can show our appreciation for our employees' efforts in this way.

The projects that qualify for the CIP are those specific items or programs that take high-dollar amounts, and may be one-time expenditures. The CIP Committee endorses these recommendations. A portion of funding for this type of project comes from dedicated savings the different departments focus on throughout the year.

Road projects are always one of the largest investments we make each year. We received about \$1.4 million from the statewide gas tax, called Class C Road Funds, which are used to improve roads. A Transportation Master Plan that outlines projects and maintain and improve our streets on a prioritized basis has been created. The Class C Road Funds cover only a portion of the work we do each year, while the additional money, which comes from the CIP program, enables us to complete other projects. Some of the major street projects we will be undertaking this next year include the rebuilding of Chevy Chase and Wesley neighborhoods, overlaying portions of 5900 South, and the resurfacing of various streets which are listed in detail in the budget. I also propose \$210,000 to replace a 20-year-old dump truck, salter and snow plow.

Under our Parks and Recreation Department, I am recommending replacement of the bus for the Heritage Center. This will allow our residents, who come to the Center, to be transported to the various programs and activities. The soccer goals in Willow Pond Park are badly rusted out and need to be replaced. In order to continue to maintain one of our greatest assets in Murray, The Jordan River Parkway, I have designated \$150,000 to be used to repair the asphalt along that trail. We are focusing CIP funds on improving the amphitheater in Murray Park, as well. This money is being leveraged to include a grant from the Union Pacific Railroad to help repair the roof. The Park Center will have work done in the showers to make them more water efficient and functional. The sprinkler system in the cemetery is in desperate need of updating and I am recommending \$300,000 for this project.

Public Safety is always a high priority on our list. In the CIP proposal, a six-year rotation program to replace police cars has been created. I am recommending purchasing and

equipping 10 new patrol vehicles. The Tasers also need to be rotated out and we have \$25,000 in the budget for this. Along the same line, the Fire Department has defibrillators that need to be updated, \$183,000 is budgeted for this purpose. With funds that have been set aside in previous years, we would like to purchase a new ambulance. The CIP Committee recommended funding for repairing roofs and a fire truck dedicated to fighting grass fires. Staff vehicles for the Fire Department have been put on a rotation schedule and one will be replaced this year, along with a number of the radios. The City Council initiated a very successful program for radar-speed signs, eight new signs are included in this budget.

We continue to focus on upgrading our technology to better serve our city. Several servers are ready to be replaced and some new programming is suggested in the CIP budget. Some items, as small as a new copier for the City Hall and as large as replacing citywide software, will need your consideration.

The Recorder's Office added a new service last year to process passports. This has been absorbed using existing employees and has been very successful.

We are working to update our General Plan. Work has been progressing and funding in the CIP is now available for finishing this project in this budget.

The replacement of our City Hall continues to be a priority. Saving funds for that purpose is ongoing. An internal committee is making progress on moving this initiative forward.

The Enterprise Funds are well-managed and incorporate an adequate, City Council approved, reserve. These important city-owned utilities are an intricate part of what makes Murray so independently unique.

Tonight, I have delivered a balanced budget to you. In my opinion, all the elements have been studied and evaluated. This budget will allow us to move ahead in providing the services our residents expect and give us the opportunity to reward the work of our excellent city employees. I appreciate the coordination and cooperation of my staff and the City Council as we all commit to use the precious resources of our city in the most responsible way.

I cannot express my appreciation enough to the individuals who have helped me understand this process and put this balanced budget together.

Thank you for the time you will take in considering our efforts and for the partnership I feel we have enjoyed in making "Murray a City without Equal."